



P.E.O. Educational Loan Fund (ELF)

Policies Governing Loans

I. PURPOSE

The P.E.O. Educational Loan Fund (ELF) makes loans available to qualified women who desire a higher education and are in need of financial assistance.

II. LOAN INFORMATION

The P.E.O. Educational Loan Fund trustees evaluate each application and determine the specific amount to be approved. The decision is based on the program of study and availability of funds. A student may apply for a loan up to the amount recommended by her sponsoring chapter.

Maximum loan amounts are:

- \$12,000 for a non-degree accredited program, an associate or bachelor's degree
- \$15,000 for a master's degree
- \$20,000 for a doctoral degree

Monies received from the P.E.O. Educational Loan Fund shall not be used for debt reduction (educational, personal, etc.).

Qualified Accredited Programs of Study

All programs and schools must be accredited U.S. or Canadian postsecondary institutions.

Qualified programs of study include:

- Non-degree programs such as commercial, technical, vocational, professional training, certification, licensure or an endorsement will be evaluated on an individual basis.
- An associate, bachelor's, master's or doctoral degree program
- Loans for online programs at accredited schools will be considered.
- An internship or study abroad program that is included in an approved U.S. or Canadian degree program may be eligible.

Loan Installments

Eligibility for one installment:

- Final year of associate or bachelor's degree
- Master's or doctoral degree
- Certificate, license or endorsement

Eligibility for two equal installments:

- Associate degree first-year student must complete one grading period before drawing a loan installment.
- Bachelor's degree in the final two years
- When two disbursements are scheduled within a six-month time period, they will be combined into one disbursement.

When paid in two installments, each disbursement will represent one-half of the approved loan amount. Each installment requires a separate promissory note provided by the P.E.O. Executive Office. Both the borrower and cosigners must sign and return each note before the payment is issued. The payment is issued directly to the student. The first disbursement must be issued within six months of the date of loan approval.

Canadian Funds - Exception

Loans to Canadian women will be paid in Canadian dollars. If the Canadian recipient attends an accredited U.S. postsecondary institution and incurs expenses in U.S. dollars, payment may then be in U.S. dollars if requested by the recipient. In this case, the borrower must agree in writing to repay the loan in U.S. dollars.

Interest

A six-month grace period will be provided following the borrower's stated graduation date, with no interest accrued and no payment required. Following the grace period, equal installments of combined principal and interest will commence. The current loan interest rate can be found on the P.E.O. International website (www.peointernational.org).

Scholastic Standing/Transcripts

An applicant must maintain the scholastic grade point required for graduation by the school of her registration. A transcript of grades is submitted to the P.E.O. Executive Office as part of the application process and, if requested, before each loan installment is drawn.

III. TERMS AND REGULATIONS

Eligibility

A woman is eligible to apply and receive consideration for an ELF loan if she:

- Is recommended by a local chapter of the P.E.O. Sisterhood with a favorable vote on the amount of the loan
- Is a citizen or legal permanent resident of the U.S. or Canada and resides in the U.S. or Canada
- Submits application within six to 24 months prior to stated graduation or course completion date
- Is accepted in an accredited U.S. or Canadian postsecondary institution
- Has a high school diploma or equivalent
- Meets the minimum credit score of 625
- Does not exceed the indebtedness limit for degree level
- Has two qualified cosigners for the loan
- Demonstrates financial need

At the time a loan is disbursed, a student must be enrolled full time or part time in an accredited U.S. or Canadian postsecondary institution. Proof of enrollment is required before each loan installment is paid. Final disbursement must be at least four months prior to stated graduation or course completion date.

Indebtedness Limits (these **do not** include home mortgages)

- \$25,000 for a non-degree program
- \$75,000 for an associate or bachelor's degree
- \$100,000 for a master's degree
- \$175,000 for a doctoral degree

An applicant must consent to P.E.O. International obtaining her credit report to determine her eligibility for a loan. If consent is not granted, her application will not be processed.

If an applicant has been involved in bankruptcy proceedings, she will be considered for an ELF loan if a **minimum of three years** has elapsed since the date she was granted a discharge from bankruptcy.

The applications of individuals who satisfy the eligibility criteria will be evaluated on a nondiscriminatory basis without consideration of race, national origin, religious affiliation or disability.

Cosigners

Two financially responsible adult cosigners, who are citizens or legal permanent residents and reside in the U.S. or Canada, are required for each loan. Spouses, fiancés or partners, and students may not cosign an ELF loan. An **individual** will be allowed to cosign a maximum of two active ELF loans providing the first loan is in good standing. Each cosigner must consent to P.E.O. International obtaining his/her credit report and must meet the minimum credit score of 650. Cosigners agree to pay the debt should the borrower fail to do so.

Repayment

- Loans must be repaid in the same currency in which they were issued; i.e., loans issued in U.S. dollars must be repaid in U.S. dollars; loans issued in Canadian dollars must be repaid in Canadian dollars.
- Loans up to \$15,000 will be due in full eight years from stated graduation date; loans greater than \$15,000 will be due in full 10 years from stated graduation date.
- Without exception, monthly payments of principal and interest will commence in an amount established under the terms of the promissory note and upon the earliest of six months following the stated graduation date or withdrawal from school.

IV. PRIVACY

The privacy of applicants and recipients will be maintained throughout the process, including but not limited to the following areas:

- The recommending chapter shall be notified of the approval or denial of an application but not the amount of an approved loan.
- Loan payment details are confidential and limited to the P.E.O. Executive Office, Executive Board of International Chapter, ELF trustees, recipient and her cosigners.
- A recipient's personal, identifying information must be kept confidential and may be disclosed only in accordance with current International Chapter guidelines.